

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Donald B. and Nancy B. Strater,
Petitioners-Appellants,

v,

Dallas County Board of Review,
Respondent-Appellee.

ORDER

Docket No. 09-25-0776
Parcel No. 16-20-452-005

On September 2, 2010, the above-captioned appeal came on for hearing before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioners-Appellants Donald B. and Nancy B. Strater were self-represented and submitted evidence in support of their petition. The Dallas County Board of Review designated County Attorney Wayne Reisetter as its representative. County Assessor Steve Helm appeared on its behalf at hearing. The Appeal Board now having reviewed the record, heard the testimony, and being fully advised, finds:

Findings of Fact

Donald B. and Nancy B. Strater, owners of property located at 31682 Napa Valley Drive, Waukee, Iowa, appeal from the Dallas County Board of Review decision reassessing their property. The real estate was classified residential for the January 1, 2009, assessment and valued at \$536,460; representing \$108,170 in land value and \$428,290 in improvement value. The Straters protested to the Board of Review on the ground that the property is not equitably assessed under Iowa Code section 441.37(1)(a). In response to the protest, the Board of Review notified the Straters the January 1, 2009, assessment would not change, stating "property owner/agent failed to substantiate burden of proof".

Straters then appealed to this Board on the same and seek \$91,900 in relief. They value their property at \$444,560.

The subject property is an executive ranch-style dwelling with 2496 square feet and was built in 1991. He has a quality grade factor of 1-10. The subject property also has an 860 square-foot attached garage. The property site consists of 1.86 acres of land and the dwelling has a quality grade factor of 1-10.

The Straters submitted four properties in the surrounding area that, in their opinion, are comparable to their property. Strater testified that he believes that the property at 34937 Riesling Point is the most comparable to the subject property. That property is assessed at \$443,080.

Two of the four comparables sold, one in 2005 and one in 2006. This Board notes this is several years prior to the January 1, 2009, assessment date. However, Strater believes the market could be less today than when he purchased his property in late 2004. Strater testified that he had the opportunity to purchase comparable number one at the time he purchased his property. Comparable one is located at 31251 Champagne Road, sold for \$570,000 in March 2005, and is assessed for \$510,960. The subject property was purchased for \$505,000 in November 2004 and is assessed at \$536,460. Comparable one is larger with four and one-half car garage and four bedrooms compared to the subject property's three car garage and three bedrooms. The lot is a little smaller. Comparable two is located at 31667 Napa Valley Drive and sold for \$590,000 in October 2006 and is assessed at \$488,930. Comparables one, two, and four have a grade factor of 2+10 and comparable three has a grade factor of 2+5. The subject property has a grade factor of 1-10 on the property record card. This Board notes that 2+10 and 1-10 grade factors are within 3% of one another.

Strater compared the subject property to his comparables for square foot, lot size, garages, fireplaces, bathrooms, and bedrooms.

Strater testified that after he purchased the property, he submitted blueprints to the county assessor to correct the square footage of his property. Strater believed that if the assessor corrected the square footage, his assessment would decrease. However, this was not the case. The assessor's office,

after changing the size, changed the grade factor from 1-10 to a 1 grade. Although the modifier was changed to increase the value after the square footage adjustment, the actual grade stayed on the record card at 1-10. It is the change for the square foot correction was offset by the forced change in the grade. Strater testified that nothing had changed to reflect a change in the quality of the construction. This change clearly caused the subject property to be inequitably assessed as compared to others in the area because the original grades were equitable in the area.

No one testified on behalf of the Board of Review. Assessor Helms appeared at hearing but did not testify. The Board of Review did submit one exhibit that included eleven sales, one of which is the subject property. The exhibit calculated an assessment sales ratio (S/R) for all the projects. The heading on the exhibit is Napa Valley Ranches.

Strater submitted rebuttal evidence that indicated that one of the sales was a two-story dwelling. Strater pointed out the flaws in the exhibit of other properties and questioned why the sample would include the subject property. This Board also questions why the subject property would be included. Strater believes this exhibit supports his opinion that his property is not equitably assessed. Strater believes that after making the correction to the Board of Review evidence, his property would be at 92% or 8% too high. Strater also notes the evidence in the record supports his claim, and stated the Board of Review submitted no documentary evidence or testimony to support the assessment.

Reviewing all the evidence, we find the record shows by a preponderance of the evidence that the subject property is not equitable. Based on the adjusted sales ratio submitted by the Board of Review, we agree with Strater that the subject property is not equitably assessed by at least 8%. The Board finds the subject property's assessment should be \$493,543 using the adjusted median ratio, which is a common measure of central tendency.

Conclusions of Law

The Appeal Board based its decision on the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2009). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sales prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property "shall be one hundred percent of its actual value." § 441.21(1)(a).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 499 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (1965). The six criteria include evidence showing

"(1) that there are several other properties within a reasonable area similar and comparable...(2) the amount of the assessments on those properties, (3) the actual

value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination.”

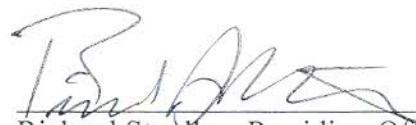
Id. at 579-580. The gist of this test is ratio difference between assessment and market value, even though Iowa law now requires assessments to be 100% of market value. § 441.21(1). The Straters provided sufficient evidence using either equity method to show the subject property was inequitably assessed. Evidence demonstrated the property was inequitably assessed using a ratio method and that different grading methods were used to value the property.

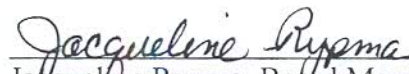
We, therefore, modify the assessment of the subject property as determined by the Dallas County Board of Review as of January 1, 2009. The property assessment as of January 1, 2009, is \$493,543; representing \$108,170 in land value and \$385,373 in dwelling value.

The Secretary of the State of Iowa Property Assessment Appeal Board shall mail a copy of this Order to the Dallas County Auditor and all tax records, assessment books and other recordings pertaining to the assessment referred herein on the subject parcel shall be corrected accordingly.

THE APPEAL BOARD ORDERS that the assessment of the Strater property, located at 31682 Napa Valley Drive, Waukee, Iowa, as of January 1, 2009, set by the Polk County Board of Review, is modified.

Dated this 18 day of October 2010.


Richard Stradley, Presiding Officer


Jacqueline Rypma, Board Member

Copies to:

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>10-18</u> , 2010.	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	